



## Accounting 374 Introduction to Tax

Syllabus – Fall 2018

Section 14060 (12 –1:50 TTH; ACC 303)

Section 14061 (2 –3:50 TTH; ACC 303)

Section 14062 (4 –5:50 TTH; ACC 303)

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### Course description

This course is the first tax course offered in a number of seven and one-half week courses for accounting majors. Together, these courses cover financial accounting, auditing, internal control, systems, and taxation. The focus of this course is basic tax issues for taxpayers including individuals and businesses. The topics include basic income tax computation, income definition, property transactions, taxes and investment and financing decisions, etc. The purpose is to provide a basic understanding of the role of taxes in decision-making and to prepare students for advanced topics in the second tax course.

The materials used in this course include the tax law (the Internal Revenue Code), authoritative governmental regulations, and Internal Revenue Service rulings. We will learn to do basic research of tax issues using the sources. In addition, we will discuss several case studies which put the tax rules into specific business context.

### Course Learning Objectives and relationship with Marshall's Undergraduate Business Administration Program Objectives

**OBJECTIVE 1 (Technical Knowledge):** Students will demonstrate technical proficiency in, and understanding of, what is taxable and deductible under US tax laws (individual taxpayers).

**OBJECTIVE 2 (Research, Analysis and Critical Thinking):** Students will demonstrate the ability to critically analyze, synthesize, and evaluate tax information for decision making in the local, regional and global business environment.

**OBJECTIVE 3 (Ethical Decision Making):** Students will demonstrate an understanding of ethics, ethical behavior and ethical decision making with respect to taxation issues.

**OBJECTIVE 4 (Communication):** Students will demonstrate the ability to communicate ideas on exams and in the tax return project in a clear, organized and persuasive manner.

### Required Materials

Note: the most current edition that will be used in this class is available late July. Hoffman, Young, Raabe, Maloney, and Nellen, *South-Western's Federal Taxation 2019: Individual Income Taxes* (South-Western), 42nd edition

Internal Revenue Service Website: <http://www.irs.gov> (reference only)

Prerequisites and/or Recommended Preparation:

ACCT 370a is the prerequisite and BUAD 302t is the co-requisite for ACCT 374. Also see School of Accounting Grading and Academic Standards for further information.

Grading policy

A total of 500 points can be earned in this course. A student's grade will be based on the total points earned. The 500 points are assigned as follows:

First mid-term	20%	100
Second mid-term	20%	100
Final exam	30%	150
Homework and Research problems	24%	120
Class participation (including attendance)	<u>6%</u>	<u>30</u>
	<u>100%</u>	<u>500</u>

Assignments and Grading Detail

1. NO MAKE UP EXAMS WILL BE GIVEN.
2. All assignments, exams, and class participation will be evaluated on effectiveness of your communication. This includes grammar, spelling, organization, format and the other essentials of strong and effective communication.
3. All assignments are due on the dates indicated on the course syllabus. Late assignment will receive a grade of ZERO.
4. Class attendance is very important in developing a coherent view of the materials covered in the course. This is particularly true as there is no single text which ties all of the materials together. It is expected that each student will be prepared for each class and will participate through volunteering or by being called on to add to the discussion.
5. The grade point average for this class is roughly 3.3.
6. This course is subject to the Honor Code of Leventhal School of Accounting.
7. According to the *Guidelines on Documents Retention*, University policy requires that "Final exams and all other grade work which affected the course grade" be kept for one year. Other papers or work that instructors hand back but that students fail to pick up can be held for one month, as long as this policy is specified in the syllabus.
8. Any student requesting academic accommodations based on a disability is required to register with Disability Services and Programs (DSP) each semester. A letter of verification for approved accommodations can be obtained from DSP. Please be sure the letter is delivered to me (or to TA) as early in the semester as possible. DSP is located in STU 301 and in open 8:30 a.m. – 5:00 p.m., Monday through Friday. The phone number for DSP is (213) 740-0776.

### Add/Drop Policy

1. Aug. 30 - Last day to drop without a "W"
2. Oct. 1 - Last day to drop with a "W"

### Statement on Academic Integrity

Students enrolled in any class offered by the Leventhal School of Accounting are expected to uphold and adhere to the standards of academic integrity established by the Leventhal School of Accounting Student Honor Code. Students are responsible for obtaining, reading, and understanding the Honor Code System handbook. Students who are found to have violated the Code will be subject to disciplinary action as described in the handbook. For more specific information, please refer to the Student Honor Code System handbook, available in class or from the receptionist in ACC 101.

### Class Notes Policy

Notes or recordings made by students based on a university class or lecture may only be made for purposes of individual or group study, or for other non-commercial purposes that reasonably arise from the student's membership in the class or attendance at the university. This restriction also applies to any information distributed, disseminated or in any way displayed for use in relationship to the class, whether obtained in class, via email or otherwise on the Internet, or via any other medium. Actions in violation of this policy constitute a violation of the Student Conduct Code, and may subject an individual or entity to university discipline and/or legal proceedings.

No student may record any lecture, class discussion or meeting with me without my prior express written permission. The word "record" or the act of recording includes, but is not limited to, any and all means by which sound or visual images can be stored, duplicated or retransmitted whether by an electro-mechanical, analog, digital, wire, electronic or other device or any other means of signal encoding. I reserve all rights, including copyright, to my lectures, course syllabi and related materials, including summaries, PowerPoints, prior exams, answer keys, and all supplementary course materials available to the students enrolled in my class whether posted on Blackboard or otherwise. They may not be reproduced, distributed, copied, or disseminated in any media or in any form, including but not limited to all course note-sharing websites. Exceptions are made for students who have made prior arrangements with DSP and me.

### Emergency Preparedness/Course Continuity

#### **Support Systems**

*Student Counseling Services (SCS) - (213) 740-7711 – 24/7 on call*

Free and confidential mental health treatment for students, including short-term psychotherapy, group counseling, stress fitness workshops, and crisis intervention. <https://engemannshc.usc.edu/counseling/>

*National Suicide Prevention Lifeline - 1-800-273-8255*

Provides free and confidential emotional support to people in suicidal crisis or emotional distress 24 hours a day, 7 days a week. <http://www.suicidepreventionlifeline.org>

*Relationship & Sexual Violence Prevention Services (RSVP) - (213) 740-4900 - 24/7 on call*

Free and confidential therapy services, workshops, and training for situations related to gender-based harm.

<https://engemannshc.usc.edu/rsvp/>

*Sexual Assault Resource Center*

For more information about how to get help or help a survivor, rights, reporting options, and additional resources, visit the website: <http://sarc.usc.edu/>

*Office of Equity and Diversity (OED)/Title IX compliance – (213) 740-5086*

Works with faculty, staff, visitors, applicants, and students around issues of protected class. <https://equity.usc.edu/>

*Bias Assessment Response and Support*

Incidents of bias, hate crimes and microaggressions need to be reported allowing for appropriate investigation and response. <https://studentaffairs.usc.edu/bias-assessment-response-support/>

*Student Support & Advocacy – (213) 821-4710*

Assists students and families in resolving complex issues adversely affecting their success as a student EX: personal, financial, and academic. <https://studentaffairs.usc.edu/ssa/>

*Diversity at USC – <https://diversity.usc.edu/>*

Tab for Events, Programs and Training, Task Force (including representatives for each school), Chronology, Participate, Resources for Students

### **Students with Disabilities**

USC is committed to making reasonable accommodations to assist individuals with disabilities in reaching their academic potential. If you have a disability which may impact your performance, attendance, or grades in this course and require accommodations, you must first register with the Office of Disability Services and Programs ([www.usc.edu/disability](http://www.usc.edu/disability)). DSP provides certification for students with disabilities and helps arrange the relevant accommodations. Any student requesting academic accommodations based on a disability is required to register with Disability Services and Programs (DSP) each semester. A letter of verification for approved accommodations can be obtained from DSP. Please be sure the letter is delivered to me (or to your TA) as early in the semester as possible. DSP is located in GFS (Grace Ford Salvatori Hall) 120 and is open 8:30 a.m.–5:00 p.m., Monday through Friday. The phone number for DSP is (213) 740-0776. Email: [ability@usc.edu](mailto:ability@usc.edu).

COURSE CALENDAR/READINGS/CLASS SESSIONS

<u>Dates</u>	<u>Topic</u>	<u>Reading Assignments and Homework</u>
8/21	Introduction to Tax Law and Ethics	SWFT pp 1-1 to 1-35 (skim); SWFT pp 2-1 to 2-17 (in detail) SWFT pp 2-18 to 2-33 (skim)
8/23	Personal and Dependency Exemptions	SWFT pp 3-1 to 3-43 Homework: 3-28, 3-34, 3-41
8/28	Gross Income	SWFT pp 4-1 to 4-34 Homework: 4-35, 4-40
8/30	Gross Income	SWFT pp 5-1 to 5-30 Homework: 5-4, 5-8, 5-30
9/4	Deductions and Losses – In general	SWFT pp 6-1 to 6-33 Homework: 6-15, 6-39
9/6	Deductions and Losses – In general <b>**First in-class midterm (one hour)</b>	SWFT pp 7-1 to 7-27 No Homework
9/11	Depreciation, Amortization, Depletion	SWFT pp 8-1 to 8-37 Homework: 8-4
9/13	Deductions – Other	SWFT pp 9-1 to 9-45 Homework: 9-26, 9-34 <b>**Research Paper #1 due</b>

9/18	Deductions - Other	SWFT pp 10-1 to 10-30
	<b>**Second in-class midterm (one hour)</b>	No Homework
9/20	Property transactions – Gain or Loss and Basis Determination	SWFT pp 14-1 to 14-23 No Homework
9/25	Property transactions – Nontaxable	SWFT pp 15-1 to 15-24 SWFT pp 16-1 to 16-38  Homework: 15-23, 16-19, 16-28
9/27	Property transactions – Capital Gains and Losses	SWFT pp 17-1 to 17-28 Homework: 17-31, 17-55
10/2	Corporations and Partnerships (Part 1)	SWFT pp 20-1 to 20-38  Homework: 20-2, 20-38
10/4	Corporations and Partnerships (Part 2)	Homework: 20-23
10/9	<b>**Tax Research Problem #2 due; in-class final exam</b>	

### **Tax Research Problem #1**

Cumulative problem #58 at the end of chapter 6. **DUE SEPTEMBER 13**

### **Tax Research Problem #2**

Choose an article from a non-tax publication (WSJ, FT, NYT, LAT, Bloomberg, etc....) related to the 2017 tax act (The Tax Cuts and Jobs Act). Provide the history of the relevant tax law, the change made by the new tax law and the significance of the change to the impacted stakeholders. **Due October 9**